

5 July 1957

MEMORANDUM FOR: Chairman Suggestion Awards Committee
Attention:

SUBJECT : Employee Awards - Intelligence Information
Reporting and Dissemination Improvements

1. The staff study, subject as above, the draft memorandum of 2 July 1957, and orally have requested our opinion as to whether it is proper under the Government Employees' Incentive Awards Act (Public Law 763, 83rd Congress) to make awards to several persons, the total, but no one of which, exceeds \$5,000.00.

2. Section 304(a) of the Act authorizes the head of each department "to pay cash awards to" employees "who by their suggestions, inventions, superior accomplishments, or other personal efforts contribute to the efficiency, economy, or other improvement of Government operations". Section 304(g) provides that "monetary awards granted under this title shall not exceed \$5,000.00, except that an award of "up to \$25,000.00" may be granted, with the approval of the Commission, in special cases in which the head of a department certifies to the Commission that the accomplishment "for which such award is proposed to be made is highly exceptional and unusually outstanding" (emphasis supplied).

3. We have discussed the question with Mr. Ruediger, an attorney in the Office of General Counsel of the Civil Service Commission (Code 171, extension 5000), who advises that the Commission has never had occasion to rule on it. The thinking, however, is along these lines. The intent of the Act is to authorize one award of up to \$5,000.00. In those instances where the contribution of each employee can be separated, as for example, in the case of several employees inventing or developing separate parts of an electronic device, an award not exceeding \$5,000.00 may be made to each person. In those cases where the contribution can not be so clearly separated, the total of \$5,000.00 would have to be apportioned among those to whom the department grants

the award, either one person or several. He further advised, however, and in fact specifically requested, that we refer the matter to the Commission for a ruling - this also for the reason that the Agency would thereby protect itself against subsequent challenge by the General Accounting Office or other authorities. (On this point, in some instances, we understand, these awards are paid from confidential funds, in which event there would be no subsequent challenge by the General Accounting Office. We should think, however, that if the present awards can be forwarded to the Commission for decision, the Agency would be well advised to do so. If security precludes such action we would think the broad authorities of the DCI may be invoked to grant such awards as are appropriate.)

4. As noted above the \$25,000.00 award may be made "with the approval of the Commission" provided the DCI certifies that the suggestion, etc. "is highly exceptional and unusually outstanding." It is suggested that the Agency (The Suggestion Awards Committee), before forwarding for signature a letter to be dispatched to the Commission, first decide whether to recommend that the DCI certify this accomplishment as "highly exceptional and unusually outstanding." If the DCI is not to certify, our only question to the Commission would be for their ruling as to whether separate awards, none of which exceeds \$5,000.00 but the total of which does, may be made in this case. On the other hand, if he does certify, we could forward two questions, that is, in addition to the one mentioned in the preceding sentence, the DCI could also certify as required by Section 304(g) and request the Commission's approval for the payment of amounts over \$5,000.00 (but under \$25,000.00). It may be noted that if it is decided to refer to the Commission for decision only the question of the application of the \$5,000.00 limit, we would think the Act does not require that the requesting letter be signed by the DCI.

5. The staff study and memorandum of 2 July, together with Civil Service Commission circular number 774 are returned herewith.

Enclosure

Assistant General Counsel

OGC:RHL:jg

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